HOPE AND EMPOWERMENT FOUNDATION GH LBG

(HEF-GH)

HUMAN CAPITAL DEVELOPMENT

A RESEARCH BRIEF

Global Concepts, the Ghanaian Context, and Strategic Relevance to HEF-GH's Core Mission

Prepared For	Hope and Empowerment Foundation GH LBG (HEF-GH)
Prepared By	HEF-GH Research & Programmes Desk
Approved By	Rev. Francis Kofi Takyi Adams — Founder, Executive Director & CEO
Document Reference	HEF-GH/RES/HCD/2026/001
Date	July 2026

Franco Estates, Ga North Municipality, Accra, Ghana
info@hopeempowermentfoundationgh.org | +233 547 897 478

HEF–GH 7 PILLARS FRAMEWORK

Empowering Communities, Nurturing Hope, Inspiring

Building Hope, Changing Lives

TABLE OF CONTENTS

Executive Summary
1. What Is Human Capital Development?
2. Why Human Capital Development Matters
3. The Global and Regional Picture
4. Ghana in Focus: Where the Country Stands
5. Ghana's National Human Capital Development Strategy (2025–2057)
6. Core Pillars and Proven Strategies
7. Strategic Relevance to HEF-GH's Mission
8. Conclusion and Recommendations
Sources

HOPE AND EMPOWERMENT FOUNDATION · G H · N ·
HEF-GH
INSTITUTIONAL PHILOSOPHY
The True wealth of a Nation is not measured by it's natural resources, buildings , roads or financial reserves. It is measured by the quality, capability, productivity and potentials of it's people.
– HEF-GH
EMPOWERING COMMUNITIES
NURTURING HOPE
INSPIRING FUTURES
TRANSFORMING LIVES

EXECUTIVE SUMMARY

Human capital development (HCD) — the cumulative investment a society makes in the health, education, skills, and productive potential of its people — is the single most reliable long-term driver of economic growth and poverty reduction available to any nation. For Ghana, and for organisations such as Hope and Empowerment Foundation GH LBG (HEF-GH) working at the community level, human capital development is not an abstract economic theory; it is the practical difference between a young person leaving school unable to find dignified work, and one equipped with the mindset, skills, and support to build a livelihood.

This brief sets out the core concepts behind human capital development, situates Ghana's current position within global and regional benchmarks, summarises the Government of Ghana's emerging national Human Capital Development Strategy (2025–2057), and draws out the direct relevance of these findings to HEF-GH's own flagship programmes — Mindset First, the Free Vocational Empowerment Skills Training Academy (FVESTA), and the Hope Restoration Orphanage Outreach Project (HROOP).

The headline finding is that HEF-GH's founding thesis — that sustainable poverty alleviation requires mindset and character transformation alongside vocational skill-building — is closely aligned with where Ghana's own national strategy, and the global evidence base, are converging: human capital development is now understood not merely as years of schooling, but as a combination of health, cognitive skill, technical competence, values, and productive employment.

1. WHAT IS HUMAN CAPITAL DEVELOPMENT?

Human capital development refers to the deliberate investment in people's knowledge, skills, health, and productive capacities so that they can lead more fruitful lives and contribute more effectively to their families, communities, and national economies. The concept traces back to economists Theodore Schultz and Gary Becker in the 1960s, who first formalised the idea that education, training, and health are not merely consumption or welfare spending, but investments that yield measurable economic returns over an individual's lifetime, in the same way that investment in physical machinery yields returns for a business.

Modern definitions have broadened considerably. The Organisation for Economic Co-operation and Development (OECD) frames human capital as the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social, and economic well-being — explicitly

recognising that people are not only beneficiaries of development, but its principal drivers.

At the level of an individual, human capital typically comprises:

- Health — physical and mental wellbeing, nutrition, and freedom from preventable disease, which determine whether a person can learn, work, and function productively;
- Education and cognitive skill — literacy, numeracy, and the ability to acquire and apply new knowledge;
- Technical and vocational skill — the practical competencies that translate into employable trades and livelihoods;
- Socio-emotional skill and mindset — character, discipline, resilience, ethical judgement, and the growth-oriented attitudes that determine whether acquired knowledge and skill are actually put to productive, honest use;
- Employment and productive opportunity — the labour-market conditions and enterprise ecosystems that allow developed human capital to be converted into livelihoods and income.

This last point is critical, and often overlooked: human capital development is incomplete if it stops at training or education. Unless a skilled, healthy, well-formed individual has an actual pathway into productive work — whether employment or self-employment — the investment in their development is only partially realised.

2. WHY HUMAN CAPITAL DEVELOPMENT MATTERS

The evidence linking human capital to economic outcomes is extensive and consistent across countries and time periods. At the macro level, cross-country research consistently finds that increases in average educational attainment, health status, and skill levels are associated with higher long-run economic growth, higher productivity, and greater capacity to adapt to new technologies. At the micro level, individuals with stronger education, health, and skills consistently earn more, experience less unemployment, and are better able to withstand economic shocks.

Human capital development is also one of the most consistently evidenced pathways out of poverty. Studies across multiple developing-country contexts find that increases in a population's human capital are associated with meaningful declines in poverty rates, though the relationship is not automatic — where education systems are weak or unequal, human capital gains can also widen inequality between those who gain access to quality training and those who do not. This is precisely why equitable, community-level delivery — of the kind HEF-GH provides directly in underserved schools and communities — matters as much as national-level policy.

For a country such as Ghana, with a young, fast-growing population, the stakes are especially high: without adequate investment in the health, education, skills, and values of its youth, a large working-age population becomes a missed opportunity rather than the demographic dividend it could be.

3. THE GLOBAL AND REGIONAL PICTURE

The World Bank's Human Capital Index (HCI), launched in 2018 and now complemented by an expanded Human Capital Index Plus (HCI+), is the most widely used cross-country benchmark. The HCI estimates the productivity a child born today can expect to achieve by age 18, relative to a benchmark of complete education and full health, producing a score between 0 and 1. Globally, a child born in 2020 could expect to reach only 56 percent of their productive potential; more recent HCI+ scoring (on a 0–325 scale incorporating workforce-readiness dimensions) shows that a child born in West and Central Africa today reaches only around 38 percent of their potential productivity, underscoring the scale of the regional human capital deficit.

The African Development Bank has made human capital development one of its central strategic priorities, arguing that with more than one billion people, Africa's demographic scale is a considerable asset only if matched by investment in skills, health, and productive employment — otherwise youth unemployment and underemployment simply grow alongside the population. Technical and vocational education and training (TVET), aligned to actual labour-market and enterprise needs, features prominently across virtually every major regional human capital strategy, including those of the African Development Bank and the World Bank's Africa Human Capital Plan.

4. GHANA IN FOCUS: WHERE THE COUNTRY STANDS

Ghana's most recently published standard Human Capital Index score is 0.45 — meaning a child born in Ghana today is expected to reach approximately 45 percent of the productivity they could achieve with complete education and full health. This places Ghana above the Sub-Saharan Africa regional average, but still below the average for lower-middle-income countries as a group, indicating meaningful room for improvement despite comparatively strong performance in areas such as child survival.

On the World Bank's newer, broader HCI+ measure (0–325 scale, incorporating workforce-readiness factors), Ghana scores 153 — again above the Sub-Saharan Africa average of 126, but only on par with the average for lower-middle-income countries generally, meaning Ghana has not yet built the depth of human capital needed to support higher-value, productivity-led economic growth.

Several structural gaps stand out in the current Ghanaian data:

- Youth unemployment (ages 15–24) is estimated at 32.1 percent — meaning roughly one in three young Ghanaians actively seeking work cannot find it;
- TVET completion rates remain low, at approximately 30 percent, while current TVET enrolment sits at only around 11 percent of the eligible population — well below government's own target of 20 percent;
- A persistent mismatch exists between the skills students acquire in school and the practical, technical, and digital skills employers and enterprises actually need — described by national planners as a "skills-jobs-productivity divide."

These gaps are precisely the space in which community-based organisations such as HEF-GH operate: reaching learners and unemployed youth directly, at the school and community level, with practical vocational skill-building and the mindset formation needed to convert training into sustained, productive livelihoods.

5. GHANA'S NATIONAL HUMAN CAPITAL DEVELOPMENT STRATEGY (2025–2057)

Ghana's National Development Planning Commission (NDPC), working with the Design and Technology Institute (DTI) and supported by international partners including the Mastercard Foundation and the Bill & Melinda Gates Foundation's HCD Plus initiative, is currently finalising a long-term national Human Capital Development Strategy spanning 2025 to 2057. The Strategy is structured around seven pillars:

- Early Childhood Development;
- Health and Nutrition;
- Education and Skills;
- Productive Employment;
- Innovation and Digital Transformation;
- Equity and Lifelong Learning; and
- Governance and Financing.

As of mid-2026, the Strategy has moved into its second implementation phase, with government stakeholders describing it explicitly as "a national productivity agenda," not a policy document intended to sit on a shelf. Key national commitments emerging from this process include a transition toward dual TVET models (combining industry-based apprenticeship with formal instruction), curriculum reform to embed digital, entrepreneurial, and green skills, and a target of raising TVET enrolment from roughly 11 percent to 20 percent of the eligible population in the short term.

Notably, national planners and TVET leaders have repeatedly emphasised that human capital development cannot be reduced to technical skill alone — official commentary at recent national forums has specifically called for the integration of values, discipline, and character formation alongside technical training, and for stronger attention to nutrition and health as preconditions for learning. This is a direct, independent validation of the dual approach — mindset/character formation paired with vocational skill-building — that HEF-GH has built its own programming around since its founding.

6. CORE PILLARS AND PROVEN STRATEGIES

Drawing together the global evidence base, the African regional strategy, and Ghana's own national framework, several strategies recur consistently as effective, evidence-based approaches to human capital development at the community level:

6.1 Early Investment and Health Foundations

Nutrition, basic healthcare, and early childhood stimulation form the foundation on which all later education and skill acquisition depends; children affected by chronic malnutrition or preventable illness face compounding disadvantages that formal education alone cannot fully reverse.

6.2 Demand-Driven Vocational and Technical Training

Vocational and technical training delivers the strongest human capital returns when it is tied directly to real, local labour-market and enterprise demand — as opposed to generic training disconnected from actual livelihood opportunities. Ghana's own dual-TVET ambitions, and continent-wide African Development Bank strategy, both prioritise training linked to specific market needs, including skills for small business and self-employment.

6.3 Mindset, Character, and Values Formation

A growing body of national and regional commentary explicitly recognises that technical skill without accompanying discipline, ethical grounding, and a growth-oriented mindset produces limited economic returns — underemployment, poor workplace conduct, and low enterprise survival rates are frequently linked back to gaps in these "soft" but foundational capacities, rather than to technical skill alone.

6.4 Equity of Access

Because human capital gains can widen inequality where access to quality training is uneven, deliberate targeting of underserved communities, girls, and vulnerable youth is essential to ensuring that national and regional human

capital gains are broadly shared rather than concentrated among those already better positioned.

6.5 A Genuine Pathway to Productive Livelihood

Training and education must be paired with a real route into work — whether direct employment, apprenticeship, or startup/self-employment support — or the human capital investment remains incomplete.

7. STRATEGIC RELEVANCE TO HEF-GH'S MISSION

HEF-GH's mission — to alleviate poverty through sustainable human capital development and community empowerment — sits squarely within this evidence base, and its existing flagship programmes map directly onto the core pillars identified above:

- Mindset First (the Future Ready Leader Project) directly addresses the mindset/character-formation pillar that Ghanaian national planners themselves now identify as a missing ingredient in conventional education and training — delivered at scale across dozens of basic and senior high schools in Ga North Municipality.
- The Free Vocational Empowerment Skills Training Academy (FVESTA) directly addresses the demand-driven vocational skill pillar, providing TVET-accredited, tuition-free training in practical trades (agribusiness, pastries, soap production) paired with "Livelihood Toolkits" that give graduates an actual route into self-employment — precisely the combination of skill-building plus productive pathway that the evidence identifies as necessary for a complete human capital intervention.
- The Hope Restoration Orphanage Outreach Project (HROOP) addresses the early-investment and health/welfare foundation pillar for some of the most vulnerable children in HEF-GH's reach, recognising that human capital formation begins well before vocational age.

This alignment is a genuine institutional strength: HEF-GH is not applying an ad hoc mix of charitable activities, but is, in substance, already implementing a locally-delivered version of the same multi-pillar model that Ghana's national strategy and the wider regional evidence base identify as necessary. This gives HEF-GH a strong, evidence-based narrative for engaging government departments, UN agencies, and donor partners: the Foundation's work is not merely charitable activity, but a grassroots implementation mechanism for national and regional human capital priorities that policymakers are actively trying to scale.

8. CONCLUSION AND RECOMMENDATIONS

Ghana's human capital position — an HCI of 0.45, youth unemployment above 32 percent, and TVET completion around 30 percent — represents both a significant national challenge and a significant opportunity for organisations positioned to deliver practical, community-level human capital interventions. HEF-GH's existing three-pillar model (mindset formation, vocational skill-building, and welfare/outreach for vulnerable children) is well aligned with both the global evidence base and Ghana's own emerging national strategy.

Based on this research, the following strategic recommendations may strengthen HEF-GH's positioning:

- Explicitly reference alignment with Ghana's National Human Capital Development Strategy (2025–2057) and its seven pillars in future partnership proposals, grant applications, and government engagement — including with NDPC and the Ministry of Education/CTVET;
- Track and report FVESTA outcomes not only in graduate numbers, but in post-training livelihood/employment outcomes, since this is the dimension ("skills into productive jobs") that national and international partners increasingly prioritise in evaluating human capital interventions;
- Continue to prioritise underserved and vulnerable groups (girls, out-of-school youth, orphaned and vulnerable children) in programme targeting, given the well-established finding that human capital gains can otherwise widen rather than narrow inequality;
- Consider deepening the health/nutrition dimension of programming, given its foundational role in the evidence base, as a potential complement to existing mindset and vocational pillars.

SOURCES

This brief draws on publicly available data and analysis from the following institutions, current as of mid-2026:

- World Bank Human Capital Project and Human Capital Data Portal (Human Capital Index and HCI+ methodology and country data for Ghana)
- African Development Bank — Human Capital Development strategy and Skills for Employability and Productivity in Africa (SEPA) Action Plan
- Ghana National Development Planning Commission (NDPC) — Human Capital Development Strategy (2025–2057) consultations and public briefings
- Ghana Design and Technology Institute (DTI) — Precision Quality Conference proceedings and public statements
- Commission for Technical and Vocational Education and Training (CTVET), Ghana — Ghana TVET Report, 3rd Edition (2026)

- Ghana Ministry of Education — public statements on TVET reform and enrolment targets
- Peer-reviewed and working-paper literature on human capital theory (Schultz; Becker; subsequent human capital and development economics research) and its application to poverty and inequality outcomes
- Ghanaian and regional news media coverage of national human capital development consultations (2025–2026)